

SENATE BILL 2511
By McNally

AN ACT to amend Chapter 847 of the Public Acts of 1982; and
any other acts amendatory thereto, relative to distribution
and expenditure of privilege taxes on hotel occupancy.

WHEREAS, Chapter 847 of the Public Acts of 1982 authorizes a privilege tax upon the
privilege of occupancy in any hotel by a transient in counties having populations of not less than
300,000 nor more than 350,000, according to the Federal Census of Population of 1980, or any
subsequent federal census;

WHEREAS, such Chapter authorizes the distribution and expenditure of the proceeds
from such tax for specific purposes, including (i) retirement of any bonds issued by the county
for acquisition, construction and equipping of a tourist-related facility as defined in such Chapter,
and for the operation and maintenance of the same and/or (ii) for payment of lease or financing
obligations to a public building authority operating pursuant to the provisions of the Public
Building Authorities Act of 1971, Tennessee Code Annotated, Section 12-10-101, et seq., to
defray costs of its acquiring, constructing, equipping, maintaining and operating a tourist-related
facility as defined in such Chapter within the county;

WHEREAS, the purpose of such Chapter was to encourage tourism, including the
construction of tourist-related facilities as defined in such Chapter;

WHEREAS, tourist-related facilities may be constructed by governmental entities,
instrumentalities, agencies or authorities other than the county or the public building authority;
and

10000001

10000001

010548

01054818

WHEREAS, it is appropriate that the distribution and expenditure of the proceeds of the privilege tax be authorized for payment of lease or financing obligations of such governmental entities, instrumentalities, agencies or authorities in addition to the county or the public building authority; now, therefore,

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Section 1 of Chapter 847 of the Public Acts of 1982 is hereby amended by inserting in alphabetical order the following definition:

() *Instrumentality* means any instrumentality, agency or authority created or established by any county or created jointly by a county and municipality, including without limitation any public building authority operating pursuant to the provisions of the Public Building Authorities Act of 1971, Tennessee Code Annotated, §§ 12-10-101, et seq., and any sports authority operating pursuant to the provisions of the Sports Authorities Act of 1993, Tennessee Code Annotated, §§ 7-67-101, et seq.

SECTION 2. Section 10 of Chapter 847 of the Public Acts of 1982 is hereby amended (i) by deleting the language “a Public Building Authority operating pursuant to the provisions of the Public Building Authority Act of 1971”, in subsections (a)(1) and (2) thereof, (ii) by deleting the language “a public building authority” in subsection (b)(2) thereof, and (iii) by inserting in lieu thereof the words “any instrumentality.”

SECTION 3. This act shall take effect upon becoming a law, the public welfare requiring it.